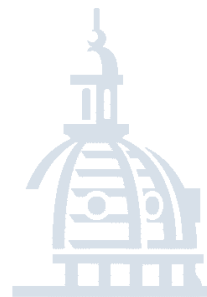


Fiscal Note

Fiscal Services Division



SF 218 – Allowable Growth (LSB2638SV)

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Fiscal Note Version – New

Description

Senate File 218 sets the FY 2011 School Foundation State cost per pupil allowable growth rate at 2.0%. The State cost per pupil and each school district's cost per pupil will increase by \$115 from the current law FY 2010 amount.

Background

Based on current law estimates, State aid to school districts and area education agencies for FY 2010 is estimated to total \$2,314.4 million. This includes approximately \$33.5 million for the Statewide Preschool Program established during the 2007 Legislative Session. The amount of property tax levied to fund FY 2010 school aid is estimated at \$1,221.7 million. This includes \$11.5 million to fund the budget guarantee.

Assumptions

The following assumptions were used in the calculation of the FY 2011 school aid estimate:

- Statewide valuation increase of 4.7% for FY 2010 and 4.6% for FY 2011.
- A total budget enrollment of 477,133 students based on Department of Education district enrollment projections.
- Special education weighting increase of 1.0% compared to FY 2010.
- An overall supplementary weighting increase of 10.0% compared to FY 2010.
- An English-as-a-Second-Language (ESL) weighting increase of 10.0% compared to FY 2010.
- An estimated increase of approximately 5,000 Statewide Preschool Program students in FY 2011. This increase is reflected at the State level and not included in the district-by-district estimates.
- Current estimates do not reflect State sales/use tax revenue that will be deposited in the Property Tax Equity and Relief (PTER) Fund that will be used for property tax relief beginning in FY 2011.

Fiscal Impact

The General Fund impact is a total estimated cost of \$2.370 billion, an increase of \$55.8 million compared to estimated FY 2010. The total impact of SF 218 is provided in the following table.

The estimated impact by school district is available at:

http://staffweb.legis.state.ia.us/lfb/docs/k-12_ed/k-12_ed.htm

FY 2010 and FY 2011 School Aid Totals

(Dollars in Millions)

	Preschool State Aid	Total State Aid*	Property Tax	Property Tax Adjustment Aid	Number of Districts Receiving Property Tax Adj. Aid	Budget Adjustment	# of Districts Receiving Budget Adj.
FY 2011	\$ 53.5	\$ 2,370.2	\$ 1,279.9	\$ 24.0	84	\$ 26.6	193
FY 2010	\$ 33.5	\$ 2,314.4	\$ 1,221.7	\$ 24.0	78	\$ 11.5	143
Change	\$ 20.0	\$ 55.8	\$ 58.3	\$ 0.0	6	\$ 15.0	50

*Includes Preschool aid and property tax adjustment aid.

Totals may not add due to rounding.

Sources

Department of Management, School Aid File
Department of Education, Certified Enrollment File
LSA Calculations

/s/ Holly M. Lyons

February 24, 2009

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56](#), Code of Iowa. Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.
